



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-888]

Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review, 2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that POSCO and certain other producers/exporters of certain carbon and alloy steel cut-to-length plate (CTL plate) from the Republic of Korea (Korea) received *de minimis* net countervailable subsidies during the period of review (POR), January 1, 2018, through December 31, 2018.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Faris Montgomery or Bob Palmer, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1537 and (202) 482-9068, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 27, 2020, Commerce published the *Preliminary Results* of this administrative review.¹ We invited interested parties to comment on the *Preliminary Results*. For a complete description of the events that occurred subsequent to the *Preliminary Results*, see the Issues and Decision Memorandum.²

¹ See *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, and Intent to Rescind Review, in Part; 2018*, 85 FR 45185 (July 27, 2020) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, “Issues and Decision Memorandum for the Final Results of Countervailing Duty Administrative Review: Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea; 2018,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Scope of the *Order*³

The product covered by the *Order* is CTL plate from Korea. For a complete description of the scope of the *Order*, *see* the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised by parties in the case and rebuttal briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is provided in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Changes Since the *Preliminary Results*

Based on the comments received from interested parties and record information, we made changes to the net subsidy rate calculated for the mandatory respondent POSCO. For a discussion of these issues, *see* the Issues and Decision Memorandum.

Partial Rescission of Administrative Review

As noted in the *Preliminary Results*, Commerce timely received no-shipment certifications from Hyundai Steel Company and Dongkuk Steel Mill Co., Ltd. We inquired with U.S. Customs and Border Protection (CBP) whether these companies had shipped merchandise to the United States during the POR, and CBP provided no evidence to contradict the claims of no shipments made by these companies. Accordingly, in the *Preliminary Results*, Commerce stated its intention to rescind the review with respect to these companies in the final results. As

³ *See Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Countervailing Duty Order*, 82 FR 24103 (May 25, 2017) (*Order*).

no party commented on this aspect of the *Preliminary Results*, we are rescinding the administrative review of these companies, pursuant to 19 CFR 351.213(d)(3).

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ For a full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum.

Rate for Non-Selected Companies Under Review

The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. We also note that section 77A(e)(2) of the Act provides that "the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}." Section 705(c)(5)(A)(i) of the Act states that, in general, for companies not investigated, we will determine an all-other rate by using the weighted-average countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available. Additionally, section 705(c)(5)(A)(ii) provides that when the countervailable subsidy rates established for all exporters and producers individually investigated are zero or *de minimis* rates, or based solely on facts available, Commerce may use any reasonable method to establish a rate for those companies, including averaging the weighted

⁴ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

average countervailable subsidy rates determined for the exporters and producers individually investigated.

In the final results of this review, we calculated a *de minimis* net countervailable subsidy rate for POSCO, the sole mandatory respondent. As a result, for the reasons discussed in the Issues and Decision Memorandum, we have determined that it is reasonable to assign to the firms subject to the review, but not selected for individual examination, the *de minimis* net countervailable subsidy rate calculated for POSCO in this review.

Final Results of Administrative Review

We determine that the following total net countervailable subsidy rates exist for the period January 1, 2018, through December 31, 2018:

Company	Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)
POSCO ⁵	0.49 (<i>de minimis</i>)
Non-Selected Companies Under Review ⁶	0.49 (<i>de minimis</i>)

Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment Rate

Consistent with its recent notice,⁷ Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the

⁵ As discussed in the *Preliminary Results*, Commerce has found the following companies to be cross-owned with POSCO: Pohang Scrap Recycling Distribution Center Co., Ltd., POSCO Chemtech, POSCO Daewoo Corporation, POSCO M-Tech, POSCO Nippon Steel RHF Joint Venture Co., Ltd., and POSCO Terminal. No party commented on this treatment of these companies, and so for these final results we continue to find the companies are cross-owned with POSCO. The subsidy rate applies to all cross-owned companies.

⁶ See Appendix II.

⁷ See *Notice of Discontinuation of Policy to Issue Liquidation Instructions After 15 Days in Applicable Antidumping and Countervailing Duty Administrative Proceedings*, 86 FR 884 (January 15, 2021).

assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Because we have calculated a *de minimis* countervailable subsidy rate, for companies under review, we will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered, or withdrawn from warehouse for consumption, from January 1, 2018, through December 31, 2018, without regard to countervailing duties in accordance with 19 CFR 351.212(b)(2) and 19 CFR 351.106(c). For companies for which this review is rescinded, countervailing duties will be assessed at rates equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2018, through December 31, 2018, in accordance with 19 CFR 351.212(c)(1)(i).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to continue to suspend liquidation but to collect no cash deposits of estimated countervailing duties on shipments of the subject merchandise by the companies under review entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of review.

For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposits, when imposed, shall remain in effect until further notice.

Administrative Protective Order (APO)

This notice also serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO

materials, or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Dated: March 16, 2021.

Christian Marsh,
Acting Assistant Secretary
for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Partial Rescission of Administrative Review
- IV. Scope of the *Order*
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation Information
- VII. Analysis of Programs
- VIII. Discussion of Comments
 - Comment 1: Whether Commerce Should Reconsider Its Decision Not to Initiate on the “Off-Peak Electricity for Less Than Adequate Remuneration (LTAR)” New Subsidy Allegation
 - Comment 2: Whether POSCO Plantec (Plantec) and POSCO Satisfy the Requirements for a Cross-Owned Input Supplier Relationship
 - Comment 3: Whether Commerce Should Countervail Benefits Provided to Plantec through Its Debt Restructuring Program
 - Comment 4: Whether the Government of Korea’s (GOK) Purchase of Electricity for More Than Adequate Remuneration (MTAR) Is Countervailable
 - Comment 5: Whether the Quota Tariff Import Duty Exemptions Under Article 71 of the Customs Act Are Countervailable
 - Comment 6: Whether Commerce Should Cumulate the Benefits of POSCO’s Cross-Owned Affiliates When Calculating the Benefit under Restriction of Special Local Taxation Act (RSLTA) Article 78(4)
 - Comment 7: Whether Commerce Should Correct the Principal Value of POSCO’s Benefit Amount under Restriction of Special Taxation Act (RSTA) Article 9
- IX. Recommendation

Appendix II

Non-Selected Companies Under Review

1. BDP International
2. Blue Track Equipment
3. Boxco
4. Bukook Steel Co., Ltd.
5. Buma CE Co., Ltd.
6. China Chengdu International Techno-Economic Cooperation Co., Ltd.
7. Daehan I.M. Co., Ltd.
8. Daelim Industrial Co., Ltd.
9. Daesam Industrial Co., Ltd.
10. Daesin Lighting Co., Ltd.
11. Daewoo International Corp.
12. Dong Yang Steel Pipe
13. Dongbu Steel Co., Ltd.
14. Dongkuk Industries Co., Ltd.
15. EAE Automotive Equipment
16. EEW KHPC Co., Ltd.
17. Eplus Expo Inc.
18. GS Global Corp.
19. Haem Co., Ltd.
20. Han Young Industries
21. Hyosung Corp.
22. Jinmyung Fricttech Co., Ltd.
23. Kindus Inc.
24. Korean Iron and Steel Co., Ltd.
25. Kyoungil Precision Co., Ltd.
26. Samsun C&T Corp.
27. Shipping Imperial Co., Ltd.
28. Sinchang Eng Co., Ltd.
29. SK Networks Co., Ltd.
30. SNP Ltd.
31. Steel N People Ltd.
32. Summit Industry
33. Sungjin Co., Ltd.
34. Young Sun Steel